

EXHIBIT TWO

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: STOLL, Thomas G

Serial No.: 09/489,982 Art Unit: 3626

Filed: January 21, 2000 Examiner: C. Bleck

For: DIGITAL PRESCRIPTION CARRIER AND MONITOR SYSTEM

STATE OF MISSOURI)

) ss.

COUNTY OF JACKSON)

AFFIDAVIT OF INVENTOR

Comes now the Applicant, Thomas G. Stoll, and states as follows:

1. I am the sole inventor of the subject matter set forth in Claims 1-19 of the above-referenced United States Patent Application.

2. While in the United States, I invented the subject matter set forth in each of the claims 1-19 of the above-referenced United States patent application.

3. On or before July 21, 1998, I conceived the invention and diligently labored to reduce the invention, as set forth in Claims 1-19 of the above-referenced United States Patent Application, to practice.

Affidavit of Thomas G. Stoll
cont'd

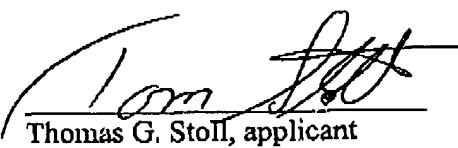
4. In support of my claim for prior invention, I have attached hereto the following documents:

- a. Correspondence from me to my patent agent, together with enclosures, dated October 1, 1998, informing that diagrams and drawings of my invention had been completed. True and correct copies are attached hereto as Annex A.
- b. Faxed correspondence from an engineer/draftsman to me, dated September 25, 1998, informing that he had completed drawings of my invention, as set forth in claims 1-19 of the above-referenced United States Patent Application. True and correct copies of the facsimile transmission are attached hereto as Annex B.
- c. After I had conceived and had begun to labor diligently to reduce to practice my invention, as set forth in Claims 1-19 of the above-referenced United States patent application, I formed Medical Innovations, Inc., a Corporation existing under authority of Missouri law. It was my initial intent to make Medical Innovations, Inc. the sole owner and assignee of the rights in my invention. (However, because of the tax advantages of a limited liability company, I subsequently formed Next Med, LLC and assigned all rights in my invention thereto.) A true copy of a printout from the corporations database of the Missouri Secretary of State, verifying an incorporation date of May 9, 1997 is attached hereto as Annex C. A true copy of IRS Form 2553, dated March 14, 1998 and received by the IRS on March 18, 1998, is attached hereto as Annex D.
- d. After I had conceived and reduced to practice my invention, as set forth in Claims 1-19 of the above-referenced United States patent application, I disclosed my invention to Kermitzer Design, Inc., a consulting engineering

Affidavit of Thomas G. Stoll
cont'd

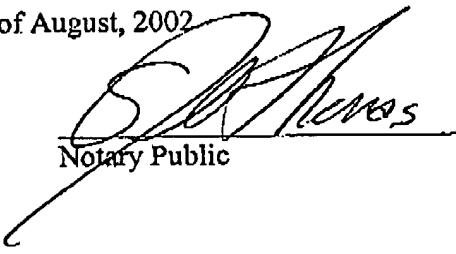
firm, to discuss alternatives for the physical appearance of my invention, and possible alternate embodiments. True and correct copy of correspondence from Kemnitzer Design, Inc., dated December 27, 1997, is attached hereto as Annex E.

Under the penalty of perjury, I hereby affirm that each of the above and foregoing statements is true and correct to the best of my knowledge and belief.

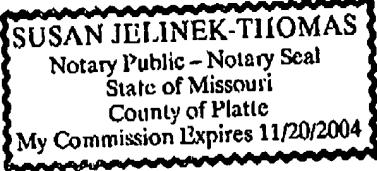


Thomas G. Stoll, applicant

Subscribed and sworn to before me this 12th day of August, 2002



Notary Public



**KURLBAUM STOLL SEAMAN
& MUSTOE, P.C.**
Attorneys at Law

*City Center Square
1100 Main, Suite 2001
Kansas City, MO 64105*

*Telephone (816) 221-5444
Telecopy (816) 474-6822*

Thomas G. Stoll

October 1, 1998

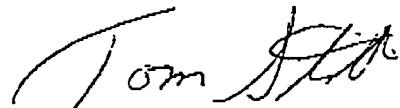
Mr. Dennis Crawford
Litman, McMahon & Brown, L.L.C.
4700 Bellview
Suite 200
Kansas City, MO 64112

Re: Medical Innovations, Inc.

Dear Dennis:

Enclosed is a block diagram, a rough sketch and a design outline for the MedX product. These items were prepared by Karl Schmidt, an electrical engineer helping with the product's design. The product's final appearance will be different than the sketch, but the sketch may help you conceptualize the product. After the electronic design is complete an industrial designer will help create the product's overall appearance. Please advise if this information is sufficient for you to go forward with the patent application. I understand from our conversations that you are reasonably confident that the patent application will be approved. Thank you.

Yours very truly,



Thomas G. Stoll

encls.

ANNEX A

Product Design Outline

1) The Med_x SystemTM Product Description

2) Hardware

a) Environmental

i) Normal consumer temperature range

ii) Normal UV rating?

b) Circuit board

i) Push buttons (4) large rubber like

ii) Recessed switch to select vibrator or sonic alarm 3 position switch with both alarm position

(1) Scroll up and down (2)

(2) 'take' Button

(3) snooze button

iii) LCD display

1) 2 lines X 16 characters of large print, Special symbols in later design for noncompliance, etc. off the shelf LCD for now.

(3) Back light activated by separate button

iv) IRDATA infrared data interface - base rate

v) Micro computer

vi) Nonvolatile memory

vii) RTC (real time clock)

- viii) Low batter detector, power supply
- ix) LCD driver chip
- x) Sound driver transistor
- xi) Vibration driver transistor
- c) Battery holder
 - i) AAA preferred
 - ii) Battery life expectancy 2 Months
- d) Vibrator
- e) Sound transducer - peizo? Two tone feasable
- f) Case
 - i) Size is about 3" X 2 X 1/2"
 - ii) Key chain attach point
 - iii) Weight about 3 Ounces
 - iv) Black high impact (ABS)

3) Software

- a) I/O drivers
 - i) IR data
 - ii) Keyboard scan
 - iii) Sound driver
 - iv) Vibration driver

- v) LCD driver
- vi) RTC
- vii) Low battery

b) Main functions

i) Normal mode

- (1) Displays current time - and Next med at "time" alternating with "If lost call" string unless in low battery - then it displays "low battery" as a third alternating string
- (2) Pressing one scroll key will allow patient to scroll thorough patient address / phone number (4 lines?) (If public) prescription information in order of when dosages are taken beginning at midnight. This line begins with an asterisk if drug is currently due to be taken. (Each drug line is followed by optional advisory line(s)? i.e. 'caution may cause drowsiness') - drugs are followed by patient information lines 500+ characters accessible with a 4 digit code - if so programmed.
- (3) Pressing both scroll keys at once causes it to enter IR communication mode
- (4) If a Medication becomes due - it enters alert mode

ii) IR communication mode

- (1) Attempts to establish communications over IR port for 10Sec - If unable reverts to normal mode
 - (a) Requires a valid certificate to activate
 - (b) In this mode Physicians software with a "public Key" certificate can:

(i) enter/delete prescriptions (Up to 12 drugs can be entered), and patient information

(ii) automatically sets RTC via his computers clock.

(c) In this mode pharmacists can:

(i) retrieve prescriptions and decrement refill counts

(ii) view patient information

(iii) Enter drug advisory lines

(iv) Automatically validate physicians certificates

(v) Automatically sets RTC according to local computers clock

iii) Alert mode

(1) First activates vibration alarm - if confirm indication doesn't come it will activate the sonic alarm after 7 Min.

(2) Display scrolls to drug preceded by an asterisk

(3) Pressing snooze button while in alert mode will cause alarm to delay for 15 minutes. After 4 snooze presses display will indicate (how?) noncompliance. - (occasional short chirps would not run the battery down very fast??) show hours from last pill

(4) Pressing the confirm button for one full second will:

(a) Sound a short chirp flash display

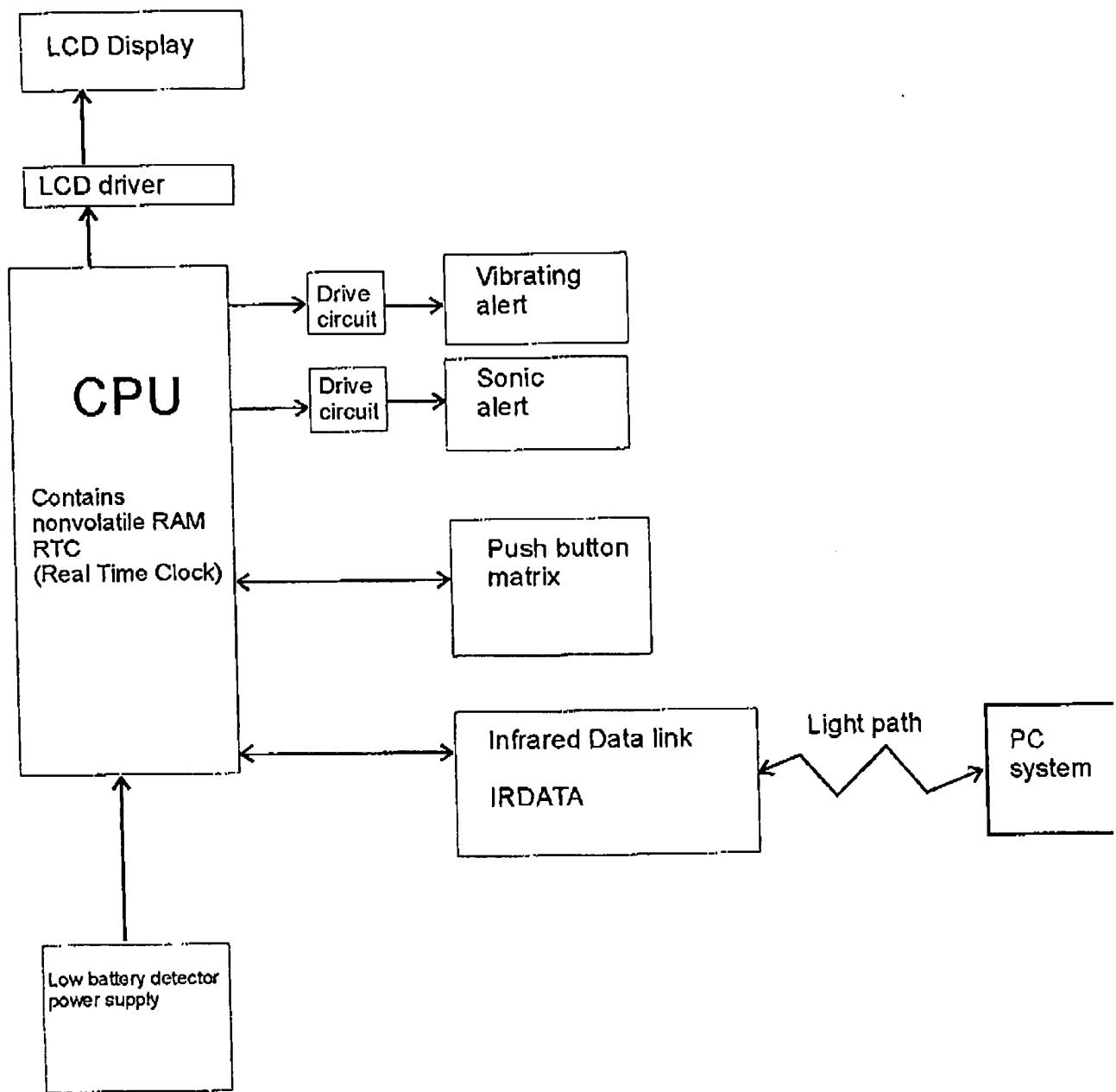
(b) Record compliance (How many compliance's can be stored?)
>1500

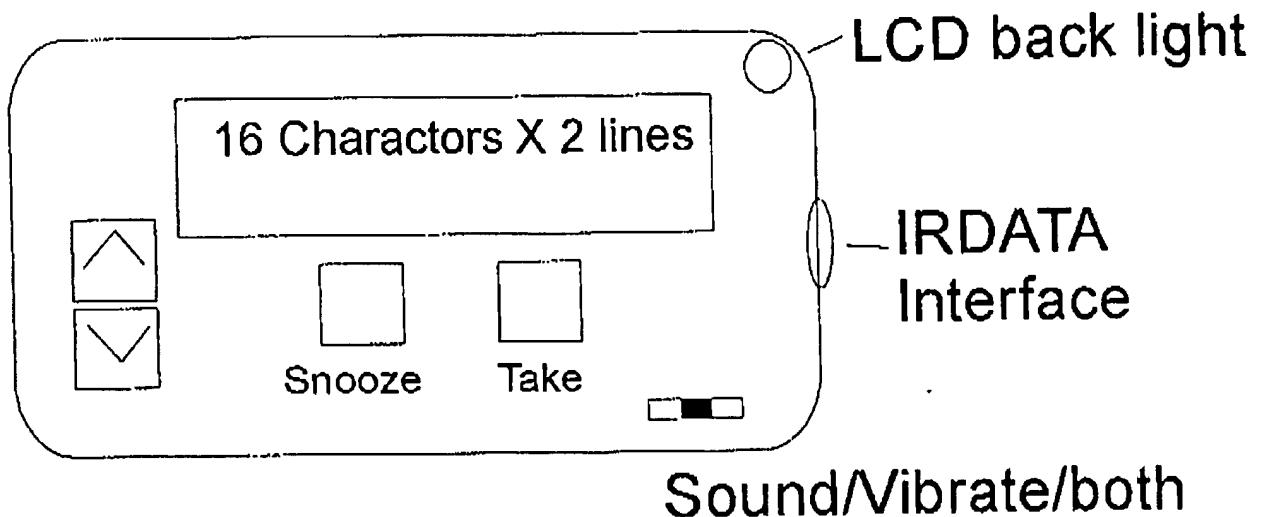
(c) Cancel alert

iv) Factory self Test mode

- (1) When power is first applied pressing buttons in order will put unit into self test mode which will:
 - (a) Perform a display test (display error codes)
 - (b) Sound transducer (chirp error code?)
 - (c) Test vibrator
 - (d) Test IR link
 - (e) Test RAM and flash
 - (f) Return checksum and error codes over IR link

Preliminary block diagram of MEDx System™
MED_x System™







3209 West 9th Street Lawrence, Kansas 66049 USA
E-mail karl@xtronics.com Web www.xtronics.com

FAX

To: **Thomas Stull (Business Fax)**

Company:

Business phone: **(816) 221-5444**

Fax number: **+1 (816) 474-6822**

From: **Karl Schmidt**

Fax number: **+1 (785) 841 0434**

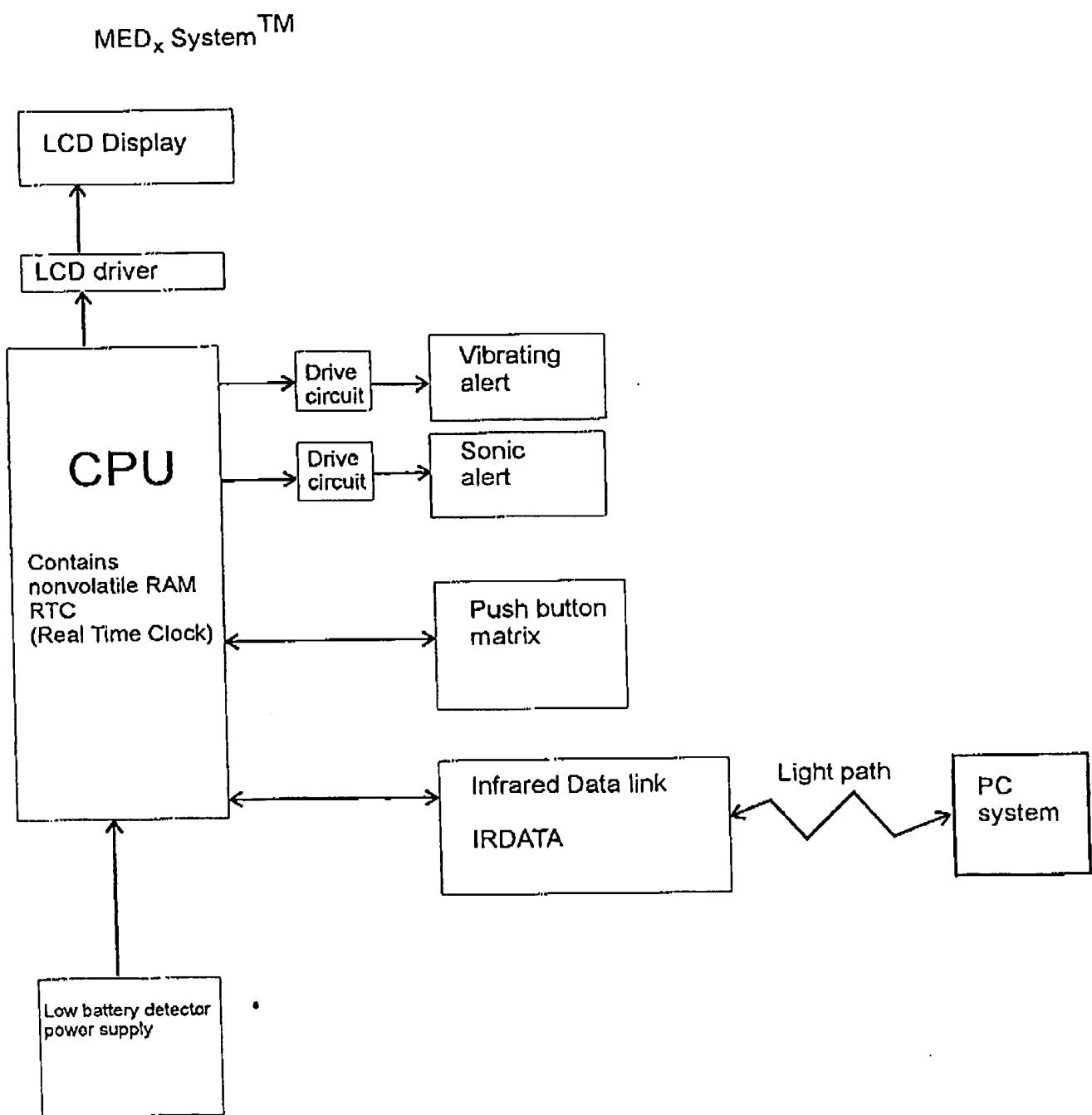
Business phone: **(785) 841 3089**

Date & Time: **9/25/98 4:50:41 PM**

Pages sent: **6**

Re:

ANNEX B



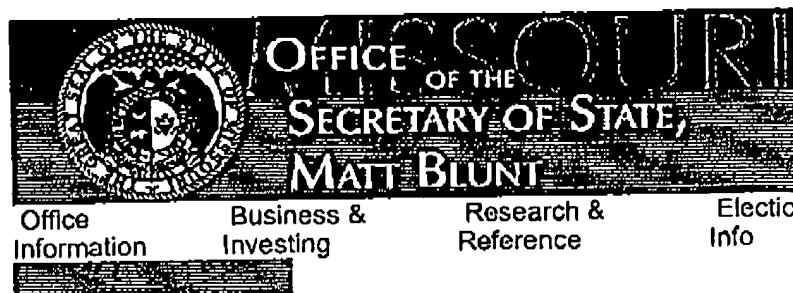
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P. 33

Office of the Secretary of State, Missouri - Business Entity Database Search

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Business Entity Database Search

[Corporations](#) | [Business Services](#)

Business Entity with Charter Number CC0440995

Name MEDICAL INNOVATIONS, INC.

Street		City/State/Zip	
Business Type	Close Corporation	State of Incorporation	MO
Status Date	09/14/1999	Status	DF
Registration Date	05/09/1997	Current Name Date	05/09/1997
Expiration Date	Perpetual	Report Period	01/01 : 12/31
Last AR Filed	08/10/1998	Last AR Year	1998

Agent Information

Name Thomas G. Stoll
Street 1100 Main Str., Ste. 2001

Authorization Date
City/State/Zip Kansas City, MO 64105

[Status History](#) | [Name History](#)

Produce Annual Report for Current Fiscal Tax Year
(Internet Explorer 4.x & 5.x Only)

[Business Entity Search](#) | [Agent Name Search](#) | [Charter Number Search](#)

[Office Information](#) | [Business & Investing](#) | [Research & Reference](#) | [Elections & Voter Info](#) | [Young Missourians](#) | [Gov-to-Gov](#)
[Missouri State Government Web]

ANNEX C

Proposal For Industrial Design Assistance
Medi-Minder
Medical Innovations, Inc.

Submitted to: Mr. Thomas G. Stoll
Medical Innovations, Inc.
c/o Kurlbaum Stoll Seaman Suter & Mustoe, PC
City Center Square
1100 Main, Suite 2001
Kansas City, MO 64105

Date: December 27, 1997

Project Overview:

Medical Innovations, Inc. is a new company that has generated a new product concept called the 'Medi-Minder'. This is a product that will aid users in prescription compliance. As conceived by Medical Innovations, Inc., the product would be the size of a pager. It would have a battery powered, two line LED display that would 'remind' the user of a prescription to be taken. At the prescribed time for the dosage, the Medi-Minder would alert the user with an audible signal and a display of prescription dosage. An illuminated red light will reinforce the event. When the user has taken the prescription, they press an 'enter' button for one second to acknowledge consumption of the dosage. If the user can not immediately respond to the alert, they can press a 'snooze' button that will cause the device to pause for three minutes before reminding the user again. The device retains a history of response that can be downloaded by the pharmacist, who also can program this device through a PC. The unit will have 'up' and 'down' buttons to view past and future prescription dosages.

About Kemnitzer Design:

Kemnitzer Design, Inc. is an eight person industrial design consulting office located in Overland Park, Kansas. Our work has been cited by such prestigious sources as 'Business Week' magazine and the Industrial Designers Society of America. Our experience is broad with work completed in electronic products, sporting goods, appliances, medical equipment, commercial office furniture, retail merchandising systems, and other areas of design. We are particularly interested in projects that require the thoughtful and creative combination of mechanical design, human factors, manufacturability, creative material selection, appearance and cost. We have ongoing and active associations with consulting engineers with expertise in mechanical, electrical, RF, production, and materials engineering. We contract expert resources in finite element analysis and mold flow analysis when necessary. Additionally, we utilize the services of several patent attorneys and market research analysis firms. We worked closely with one of our market research affiliates recently in the development of a laser rangefinder for Bushnell that was given the First Place Buyer's Choice Award by Cabela's, the leading sports equipment direct seller in the US.

Medical Innovations, Inc. wishes to solicit input from potential users and prescribers prior to committing to a formal design/build program. Accordingly, it has asked Kemnitzer Design, Inc. (KDI) to prepare a proposal for production of a non-functional visual model. KDI is pleased to respond with the following proposed course of action, timeline and cost:

Phase I. Conceptual Design and Prototype Production.

Kemnitzer Design, Inc. (KDI) will design 2 versions of the product that will each represent functional design principles, but will offer distinct differences in visual image, feel to the hand,

10880 Benson Drive, Suite 2300
Overland Park, Kansas 66210
913 338-2404
FAX 338-2461
kdesign@oz sunflower.org

ANNEX E

and operational control/functional interface. By producing 2 visual prototypes, it is our opinion that evaluators will have the opportunity of comparison which will elicit more thoughtful considerations and suggestions. Through these suggestions and discussions, it is highly likely that clear functional, operational and aesthetic criteria for the manufactured version will emerge.

Phase 1 Deliverables:

1. Two non-functional, 3-dimensional visual prototypes.
Time required to complete this phase: 2 weeks (10 working days).

Project Budget:

Kemnitzer Design, Inc.'s. compensation for services rendered is based on hourly rates of \$125 Principal, \$85 Senior Designers, \$50 Designers and \$75 Prototyping Studio. Performing services on a fixed fee basis is acceptable to Kemnitzer Design and the following amounts are offered for the phase described in this proposal:

Phase 1: \$4830.00

This price is based on currently understood goals and criteria for this product. If criteria and goals change significantly during the course of the project, Kemnitzer Design, Inc. reserves the right to revise these costs as appropriate and with the consent of Medical Innovations, Inc.

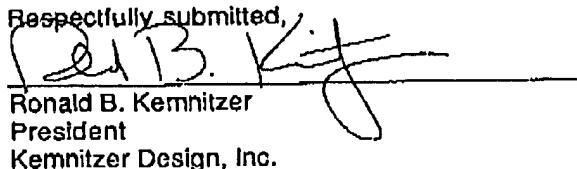
Intellectual Property:

On completion of the timely payment for services rendered, all concepts (mechanical and aesthetic) that are incorporated into the final designs as produced will be the exclusive property of Medical Innovations, Inc. Kemnitzer Design, Inc. will co-operate in the process of patent and copyright applications as requested and will assign all rights of invention to Medical Innovations, Inc. at no additional cost. Medical Innovations, Inc. will assume all costs of filing and defending said patents and copyrights.

Terms:

- Kemnitzer Design, Inc. will require a 50% prepayment (\$2,415.00) of Phase I and a purchase order to begin work on this project.
- This project may be terminated by Medical Innovations, Inc. at any time with no obligation beyond payment for work completed based on our normal hourly fees.
- Kemnitzer Design, Inc. will incur no extraordinary reimbursable expenses without prior authorization or approval by Medical Innovations, Inc.
- All expenses such as postage, shipping, materials, long distance telephone, travel, blueprints, etc. incurred in the completion of this project will be reimbursed at cost by Medical Innovations, Inc.
- If the project criteria and/or output requirements change significantly during the course of a fixed fee phase, Kemnitzer reserves the right to adjust the fee accordingly with prior approval of Medical Innovations, Inc.
- Invoices are due on receipt. All accounts unpaid after 30 days are charged interest at the rate of 18% annually (1.5% monthly).

Respectfully submitted,


Ronald B. Kemnitzer
President
Kemnitzer Design, Inc.

Form 2553

(Rev. September 1897)

Department of the Treasury
Internal Revenue Service

Election by a Small Business Corporation

(Under section 1362 of the Internal Revenue Code)
► For Paperwork Reduction Act Notice, see page 2 of Instructions.

OMB No. 1545-0148

Notes: 1. This election to be an S corporation can be accepted only if all the tests are met under Who May Elect on page 1 of the instructions; all signatures in Parts I and III are originals (no photocopies); and the exact name and address of the corporation and other required form information are provided.
2. Do not file Form 1120S, U.S. Income Tax Return for an S Corporation, for any tax year before the year the election takes effect.
3. If the corporation was in existence before the effective date of this election, see Taxes an S Corporation May Owe on page 1 of the instructions.

Part I Election Information

Part I: Election Information		A Employer identification number <u>43-1803808</u>				
Please Type or Print	Name of corporation (see instructions) <u>Medical Innovations, Inc.</u>	B Date incorporated <u>May 9, 1997</u>				
	Number, street, and room or suite no. (If a P.O. box, see instructions.) <u>1100 Main St. Suite 2001</u>	C State of incorporation <u>Missouri</u>				
	City or town, state, and ZIP code <u>Kansas City, MO 64105</u>	D Election is to be effective for tax year beginning (month, day, year) <u>► 1998</u>				
E Name and title of officer or legal representative who the IRS may call for more information <u>Thomas G. Stoll, President</u>		F Telephone number of officer or legal representative <u>816-221-5444</u>				
G If the corporation changed its name or address after applying for the EIN shown in A above, check this box <input type="checkbox"/>						
H If the election takes effect for the first tax year the corporation exists, enter month, day, and year of the earliest of the following: (1) date the corporation first had shareholders, (2) date the corporation first had assets, or (3) date the corporation began doing business <u>► 1-1-98</u>						
I Selected tax year: Annual return will be filed for tax year ending (month and day) ► <u>1998</u> If the tax year ends on any date other than December 31, except for an automatic 52-53-week tax year ending with reference to the month of December, you must complete Part II on the back. If the date you enter is the ending date of an automatic 52-53-week tax year, write "52-53-week year" to the right of the date. See Temporary Regulations section 1.441-2T(c)(3).						
J Name and address of each shareholder: shareholder's spouse having a community property interest in the corporation's stock; and each tenant in common, joint tenant, and tenant by the entirety. (A husband and wife (and their estates) are counted as one shareholder in determining the number of shareholders without regard to the manner in which the stock is owned.)	K Shareholders' Consent Statement Under penalties of perjury, we declare that we consent to the election of the above-named corporation to be an S corporation under section 1362(a) and that we have examined this consent statement, including accompanying schedules and statements, and to the best of our knowledge and belief, it is true, correct, and complete. We understand our consent is binding and may not be withdrawn after the corporation has made a valid election. (Shareholders sign and date below.)		L Stock owned		M Social security number or employer identification number (see instructions)	N Shareholder's tax year ends (month and day)
	Signature	Date	Number of shares	Dates acquired		
Thomas G. Stoll 7601 Constance Lenexa, KS 66216	<u>Tom Stoll</u>	100	1-1-98	494-668429	12/31	
<p style="text-align: center;">RECEIVED</p> <p style="text-align: center;">MAR 18 1993</p> <p style="text-align: center;">TAXPAYER DIRECTOR SERVICE</p> <p style="text-align: center;">INTERNAL REVENUE SERVICE</p> <p style="text-align: center;">DISTRICT OFFICE, ST. LOUIS, MO</p>						

Under penalties of perjury, I declare that I have examined this election, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. *[Handwritten signature]*

Signature of officer

Title ► President

Date ► 3-14-98

Form 2553 (Rev 9-97)

See Parts II and III on back

See Parts II &
ISA
STF FED1589F 1

ANNEX D

CERTIFICATE OF FACSIMILE TRANSMISSION UNDER 37 C.F.R. 1.8

I HEREBY CERTIFY that the above and foregoing Revocation of Power of Attorney, together with attachments, exhibits, affidavits, and annexes, was sent via telesacsimile to United States Patent & Trademark Office, ATTN: Carolyn M. Bleck, fax number 703-305-7687, on August 13, 2002

David E. Herron II
David E. Herron II